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Review of the efficiency of the administrative and financial functioning of the United Nations

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Report of the Secretary-General

The General Assembly, by its resolution 54/236 of 23 December 1999, endorsed the recommendation of the Committee for Programme and Coordination that a progress report on the review of the efficiency of the administrative and financial functioning of the United Nations be submitted biennially to the Assembly through the appropriate intergovernmental bodies. The present report provides an overview of progress in this area in response to the resolution.

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1. The General Assembly, by its resolution 54/236 of 23 December 1999, endorsed the conclusions and recommendations contained in the report of the Committee for Programme and Coordination on the work of its thirty-ninth session[1] concerning the review of the efficiency of the administrative and financial functioning of the United Nations. The Committee had recommended that the item be retained on the agenda of the Assembly and that a progress report be submitted biennially through the appropriate intergovernmental bodies. The present progress report highlights the principal elements that have been taken up under the general rubric of the efficiency of the administrative and financial functioning of the United Nations in line with the Secretary-General's reform agenda.

2. By its resolution 55/2 of 8 September 2000, the General Assembly adopted the United Nations Millennium Declaration, section VIII of which includes measures to strengthen the United Nations. Subsequently, in its resolution 55/162 of 14 December 2000, the Assembly stressed the importance of a comprehensive and balanced approach in the implementation and follow-up of the Declaration. It requested the Secretary-General to prepare a long-term "road map" towards the implementation of the Declaration within the United Nations system and to submit it to the Assembly at its fifty-sixth session. It also requested the Secretary-General to prepare a comprehensive report every five years, supplemented by an annual report on progress achieved in implementing the Millennium Declaration.

3. By its resolution 55/231 of 23 December 2000, the General Assembly approved a series of measures for the introduction of results-based budgeting. In that resolution, the Assembly reaffirmed its resolution 41/213 of 19 December 1986 as well as the role of the Assembly in carrying out a thorough analysis and approval of posts and financial resources, of resource allocation to all sections of the programme budget and of human resources policies, with a view to ensuring the full and efficient implementation of all mandated programmes and activities and of policies in that regard. The Assembly further reaffirmed the respective mandates of the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination in the consideration of the proposed programme budget. The measures for results-based budgeting were intended to provide a management tool to enhance responsibility and accountability in the implementation of programmes and budgets (see A/54/456 and Add.1-5).

4. The General Assembly, by its resolution 55/232 of 23 December 2000, set out the reasons, goals and criteria for outsourcing practices (see A/55/301). By its resolution 55/233 of the same date, the Assembly, having considered the report of the Secretary-General containing the preliminary estimates for the proposed budget outline for the biennium 2002-2003 (A/55/86), established eight priorities and set the level of the contingency fund. By its resolution 55/234 of 23 December 2000, the Assembly adopted the proposed medium-term plan for the period 2002-2005[2] and took note of the report of the Secretary-General on the programme performance of the United Nations for the biennium 1998-1999 (A/55/73). In part IV of its resolution 55/238 of the same date, the Assembly took note of the report of the Secretary-General on the capital master plan (A/55/117 and Add.1) and authorized him to proceed with the preparation of a comprehensive design plan and detailed cost analysis.

5. The report of the Secretary-General on human resources management reform (A/55/253 and Corr.1) set out a comprehensive programme to implement human resources management reform. It presented a series of building blocks for improving the efficiency of the functioning of human resources management. A report on accountability and responsibility (A/55/270) set out the overall parameters and the specific mechanisms being put in place as part of the reform process. The follow-up report of the Secretary-General on management irregularities causing financial losses to the Organization (A/54/793) also indicated measures for more effective accountability mechanisms and to improve internal control.

6. The Fifth Committee has recommended that the General Assembly adopt a draft resolution on human resources management (A/C.5/55/L.87), in which the Assembly would make decisions on a broad range of issues that are integral to the administrative and financial functioning of the Organization, including human resources planning, contractual arrangements, recruitment and placement, mobility, delegation of authority and accountability, streamlined rules and procedures, consultants, the composition of the Secretariat, administration of justice, conditions of service, competencies, performance management and

career development, and the status of women in the Secretariat.

7. The work being carried out in the four principal areas that fall under the agenda item on the efficiency of the administrative and financial functioning of the United Nations is summarized below. Other areas of work are dealt with under related agenda items.

A. Human resources management

8. Following the adoption by the General Assembly of the draft resolution on human resources management, work will continue in the following areas to further human resources management reform: the enhancement of human resources planning processes; the further simplification of rules and the development of guidelines and task tools for inclusion in the electronic version of the Human Resources Handbook; the implementation of a new system of recruitment, placement and promotion; the introduction of mechanisms to stimulate the mobility of staff; further improvements in the internal justice system, including the appointment of an Ombudsman; the integration of core and managerial competencies into recruitment, staff development and performance appraisal; the strengthening of the components of a career development system for all staff; and the further implementation of work/life policies. Reports of the Secretary-General on progress in human resources management reform will be submitted to the Assembly at its fifty-sixth and fifty-seventh sessions.

B. Budget-related issues

9. Further to General Assembly resolution 55/231, the measures to introduce results-based budgeting will be implemented in a gradual and incremental manner. The Secretary-General will undertake a detailed analysis of the information, management control and evaluation systems required to implement the proposals presented to the Assembly (A/54/456 and Add.5) and of the capacity and limitations of existing systems. Internal measures are being designed to increase the knowledge of staff and to develop mechanisms and procedures that would support the gradual implementation of performance measurement as a basis for improved programme monitoring and evaluation. Such a phased approach would enable the Organization to test the feasibility of these proposals and to make adjustments where necessary. In the longer run, measurement on the basis of performance indicators should facilitate the appraisal of the quality and impact of the Organization's work.

10. As far as the capital master plan is concerned, the Secretary-General is proceeding with the preparation of a comprehensive design plan and detailed cost analysis for submission to the General Assembly at either its fifty-sixth resumed or fifty-seventh session.

11. The Secretariat will continue to promote productivity and efficiency initiatives. As requested by the General Assembly in its resolution 54/15 of 29 October 1999, the Secretary-General will submit reports in accordance with the relevant regulations and rules. In 2001, efforts are concentrating on developing, for institutional guidance, a handbook on tools and techniques for designing productivity projects.

C. Simplification of processes

1. Procurement reform

12. Following the adoption of resolution 54/14 of 29 October 1999, the Department of Management initiated a number of measures to improve efficiency and productivity. Annual procurement planning exercises held with requisitioning offices assist the Procurement Division to identify common requirements and to conduct timely and cost-effective procurement, while soliciting from as wide a range of suppliers as possible and providing sufficient lead time. In close collaboration with the requisitioning offices, in particular the Department of Peacekeeping Operations, the Division has also established a number of systems contracts for common requirements to expedite the procurement process.

13. The Division has improved its Internet and Intranet sites to facilitate procurement activities. The Internet site includes information on annual requirements, expression of interest and recent tenders to encourage interested vendors to register with the United Nations. The Internet site provides vendors with transparent information on procurement activities. It includes a list of registered vendors, information on contract awards updated daily, and a list of contacts in the Division and allows for complaints. The Internet site also has information on field-level procurement and a vendor advertisement facility to assist vendors in contacting field offices for local procurement

opportunities and United Nations contractors to find out what local requirements they may have. At the Intranet site, the Division provides requisitioning offices with useful information on procurement procedures, including the Procurement Manual. The Intranet site has a requisition tracking system to allow each requisitioning office to monitor the procurement process and a list of systems contracts so that requisitioning offices can utilize existing systems contracts for future requirements. A new vendor registration programme has been initiated to bring the vendor database more up to date, in line with the current requirements of the Organization, and to make it user-friendly for the identification of qualified registered vendors for specific requirements.

14. A report on progress in procurement reform will be submitted to the General Assembly at its fifty-seventh session.

2. Human resources management

15. During the biennium 1998-1999, automated tools were developed to incorporate certain parts of human resources processing work into the Integrated Management Information System. This work concerned automating the calculation of dependency benefits and the processing of rental subsidy, education grant, home leave travel, time and attendance and sick leave. During the current biennium work will begin on automating the gathering of data related to those processes, specifically by permitting staff members to report changes in their own personnel data and to apply for benefits online. In addition, some other procedures can now be done at the department and office level rather than being centralized in the Office of Human Resources Management, while retaining and enhancing the monitoring role of the Office.

3. Finance

16. A pilot project aimed at streamlining the processing of travel claims is being implemented. Action is also being taken to automate the processing of payments relating to the shipment and insurance of personal effects.

4. Other processes

17. Extensive research has been conducted on the overall processes for disposing of property with a view to determining the types of low-value items to be disposed of and their cost. This has been done by considering items that have outlived their useful life and have no residual value. A proposal outlining the proposed delegation of authority to heads of departments in the disposal of low-value items is in the final stages of preparation. Proposals to expand the lump-sum concept to include repatriation travel are being finalized. A successful lump-sum plan would eliminate lengthy administrative procedures in final accounting and related travel claims.

18. Effective in July 2000, the Secretariat began pooling investments for the approximately 80 different funds managed by the United Nations Treasury. The objectives of the investment pooling project, to increase interest income, reduce bank fees and obtain more advanced banking services, have been met in full. The pooling system contributed an additional $23 million in interest income during 2000. The transaction volume decreased by 15 per cent, reducing bank fees. The development of additional banking synergies, such as automated confirmations, continues.

19. A number of information technology projects are currently being implemented, including a correspondence log system and the upgrading of search tools for the optical disk system to permit searching in different languages. In addition to being a good management tool that provides for the easy logging of correspondence, the system provides staff with the ability to review and plan workloads based on pending correspondence and to quickly identify outstanding items and action officers for disposal actions.

D. Delegation of authority and accountability

20. Work is proceeding to improve accountability and responsibility in the reform of human resources management as well as to develop monitoring and control mechanisms and procedures and training for managers. The Secretary-General will report to the General Assembly at its fifty-seventh session on the implementation of his proposals, including with regard to management irregularities.

21. Many items originally included under the general rubric of the efficiency of the administrative and financial functioning of the Organization have been brought to closure, while others have been subsumed under other agenda items. The next report of the

Secretary-General will be submitted to the General Assembly at its fifty-eighth session, in accordance with resolution 54/236.

22. **The General Assembly may wish to take note of the progress achieved in the review of the efficiency of the administrative and financial functioning of the United Nations.**

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 16* (A/54/16).

[2] Ibid., *Fifty-fifth Session, Supplement No. 6* (A/55/6/Rev.1).